

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, FEBRUARY 20, 2008

4:00 P.M.

IN THE MARY BRENNAN BOARD ROOM

2000 POST ROAD

WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (i§Corporationi") Board of Directors was called to order by Chair, Kathleen C. Hittner, M.D., at 4:13 p.m., in the Mary Brennan Board Room at 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

BOARD MEMBERS PRESENT: Kathleen Hittner, M.D; James Forte; Joseph Cianciolo; Russell Hahn.

BOARD MEMBERS ABSENT: Robert Sangster; Michael Traficante; Joseph Larisa.

ALSO PRESENT: Peter A. Frazier, Interim President and CEO; Brian C. Schattle, Chief Financial Officer; Ann L. Clarke, Senior Vice President of Planning, Engineering and Environment; and those members listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Mr. Forte and seconded by Mr. Hahn to approve the minutes of the Board Meeting of January 19, 2008. The motion was passed unanimously.

2. Open Forum:

Dr. Hittner asked if anyone present wanted to speak in Open Forum. Mr. Richard Langseth representing the Greenwich Bay Watershed Association asked the Board if they would consider forming a citizens group to provide input on design and access issues related to the Intermodal project. Mr. Langseth reported that he had provided a model for community involvement to Mr. Frazier for review. Dr. Hittner thanked Mr. Langseth for his comments.

3. Report from Chair, Board of Directors:

There was no report.

4. Report from President and CEO:

Mr. Frazier reported that this would be his last report as Interim President and CEO. Mr. Kevin Dillon joins the Corporation as President and CEO on Monday, February 25, 2008. Mr. Frazier thanked the Board and the staff for their support during his tenure.

Mr. Frazier reported that Mr. Michael Mini, Manager of Planning and Project Manager for the Terminal Improvement Project, had tendered his resignation and will be leaving the Corporation for another job opportunity on February 29, 2008. The Board and staff wished him well in his future endeavors.

Mr. Frazier reported he had recently had the opportunity to meet Chief Justice John Roberts, Chief Justice of the US Supreme Court, who was on an official trip to RI.

Mr. Frazier gave an overview of recent and scheduled VIP visits to T. F. Green and North Central airport and he indicated that RIAC had been complimented on the quality of its security coordination efforts.

Mr. Frazier gave an overview of the new RIAC Visitor Pass system.

Mr. Frazier reported that passenger numbers for the month of January 2008 were down 1.24%, with capacity down almost 14%.

Mr. Frazier reported that the Rhode Island Emergency Management Agency (RIEMA) has offered web based EOC training to RIAC employees.

Dr. Hittner took the opportunity to thank Mr. Mini for his service to the Corporation and thanked Mr. Frazier and the RIAC staff for their

support during the recent staff transition.

5. Legislative Report:

Ms. Goldstein gave an overview of proposed legislation.

6. Operations and Capital Committee Report:

Mr. Forte reported that he had recently signed the following change order:

Skanska PVD - Terminal Security Provide new SWA Offices and Unfinished Tenant Areas \$72,897

Mr. Forte reported that although there was no meeting this month there were two action items for review and approval by the Board.

A motion was made by Mr. Forte and seconded by Mr. Cianciolo to amend the agenda to move item 6 (c) Consideration of and Action Upon Access Agreement for Intermodal Project to after the Executive Session. The motion was passed unanimously.

Action Items:

(a) Consideration of and Action Upon Fuel/Gasoline/Glycol Facilities Lease at T. F. Green Airport..

Mr. Schattle gave an overview of the lease and reviewed the terms with the Board. The recommendation is that the Board authorize the Interim President and CEO, or his designee, to execute the Facilities Lease with PVD Facilities LLC containing terms and conditions consistent with the summary presented to the Board.

A motion was made by Mr. Forte and seconded by Mr. Hahn to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (i§RIACi”) owns a Fuel, Gasoline and Glycol Blending Facility (the i§Facilitiesi”) for the receipt, storage, delivery, distribution, handling and dispensing of fuel, gasoline and glycol for aircraft and ground services equipment (i§Fueling/Glycol Servicesi”), which is located on 2.39 acres at T.F. Green State Airport (the i§Airporti”); and

WHEREAS, the current agreement with Northstar Aviation Inc. to operate the Fuel and Gasoline Facilities expires on March 31, 2008. RIAC has determined that operational control of Fueling/Glycol Services is most properly vested with the airlines and has negotiated financial terms that are consistent with the most recent contractual arrangements.

WHEREAS, the airlines at the Airport are forming a limited liability company (PVD Facilities LLC) with the intent of entering into an

agreement with RIAC for the purposes of overseeing and operating the Facilities through a third party Facilities Operator; and

WHEREAS, RIAC staff and PVD Facilities LLC have negotiated the following summary of terms that will be included in the agreement:

„X The term of the agreement will be five years with an additional five year option contingent on mutually acceptable financial terms for the option period;

„X For the first five years of the agreement, RIAC will receive a minimum annual guarantee of \$750,000, calculated at \$0.02 per gallon for the first 37,500,000 gallons of Jet-A delivered annually through the Facility, plus \$0.0125 per gallon for each gallon thereafter. During the fourth year of the agreement, the financial terms will be negotiated for the five year option, but shall not be less than the terms of the first five years;

„X PVD Facilities LLC may enter into an agreement with a third party Facilities Operator, based on the issuance of a comprehensive Request for Proposals for a Facilities Operator and a fair and equitable selection process, and in conjunction therewith may delegate its rights and obligations (but without releasing its liabilities for performance of its obligations) under the agreement to the Facilities Operator selected by PVD Facilities LLC;

„X Airline members of PVD Facilities LLC will have the right to solicit and hire a company or companies to provide into-plane fueling services for their aircraft and such into-plane fueling service provider

shall have the right to access the Facilities;

„X All repairs, maintenance, capital and structural expenses, insurance, taxes, and any other expense associated with the Facilities will be paid by PVD Facilities LLC.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board of Directors hereby authorizes the Interim President and CEO, or his designee, to execute the Agreement with PVD Facilities LLC containing the terms and conditions consistent with the summary above.

The motion was passed unanimously.

(b) Consideration of and Action Upon Miscellaneous Security Enhancements Projects at T. F. Green Airport.

Ms. Clarke gave an overview of the project. The recommendation is that the Board authorize the Interim President and CEO, or his designee, to execute a Task Order with Pare Corporation for the installation of two box culverts as part of the miscellaneous security enhancements projects at T. F. Green Airport.

A motion was made by Mr. Forte and seconded by Mr. Cianciolo to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (PSA) with Pare Corporation to provide on-call wetland services; and

WHEREAS, RIAC has received a scope and fee from Pare to provide design and bid phase services associated with the installation of two box culverts as part of the Miscellaneous Security Enhancements Project at T. F. Green Airport in the amount of \$63,118; and

WHEREAS, this project is included in the approved Fiscal Year 2008 Capital Improvement Program (CIP) budget in the amount of \$1,160,000; and

WHEREAS, this Task Order will initially be funded through the General Purpose Fund with 75% (\$47,339) reimbursement from the Federal Aviation Administration and 25% (\$15,779) reimbursement from Passenger Facility Charges.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the Interim President and CEO, or his designee, to execute a Task Order with Pare Corporation for the installation of two box culverts as part of the Miscellaneous Security Enhancements Project at T. F. Green Airport in the amount of \$63,118.

The motion was passed unanimously.

7. Finance and Audit Committee Report:

Mr. Cianciolo reported that the Committee had met prior to the Board Meeting and had reviewed the monthly financial statements, and had received a report from Mr. Dansereau on the status of ongoing audits.

Mr. Cianciolo further reported that the Committee took action on the write-off of certain outstanding accounts receivable balances.

Consent Agenda:

A motion was made by Mr. Forte and seconded by Mr. Cianciolo to approve the one item on the consent agenda. The motion was passed unanimously.

(a) Consideration of and Action Upon Airport Project and Refunding Bond Issue.

WHEREAS, the Rhode Island Airport Corporation ("RIAC") is a public corporation, governmental agency and instrumentality of the State of Rhode Island and Providence Plantations (the "State") organized and existing under Chapter 64 of Title 42 of the Rhode Island General Laws, as amended (the "Act") as a subsidiary public corporation of the Rhode Island Economic Development Corporation (the "EDC"); and

WHEREAS, RIAC has the power pursuant to Section 42-64-2(g) and Section 42-65-5 of the Act" ... to furnish proper and adequate airport facilities within the State ..." ; and

WHEREAS, RIAC is undertaking an Airport Bonds Project for the financing of various capital projects at T. F. Green Airport and the General Aviation Airports (the "Airport Bonds Project"); and

WHEREAS, RIAC may also undertake the refinancing of all or a portion of the outstanding \$53,140,000 EDC Airport Revenue Bonds (1998 Series) (the "Prior Bonds") (the "Refunding"); and

WHEREAS, RIAC intends to finance the Airport Bonds Project and the Refunding by requesting the EDC issue up to \$93,440,000 in Airport Revenue Bonds (the "2008 New Money Bonds") and to issue Airport Refunding Bonds (the "2008 Refunding Bonds") in an amount necessary to refund all or a portion of the Prior Bonds pursuant to the Master Indenture of Trust among the EDC, RIAC and U.S. Bank, National Association, as Trustee, (the "Trustee") (the "Master Indenture"), an Eighth Supplemental Trust Indenture among RIAC, the EDC and the Trustee (the "Eighth Supplemental Indenture") and a Loan Agreement between RIAC and the EDC (the "2008 Loan Agreement"), pursuant to which the EDC will loan the proceeds of the sale of the 2008 Bonds to RIAC for a portion of the Airport Bonds Project; and

WHEREAS, the General Assembly of the State of Rhode Island has approved the issuance of the 2008 New Money Bonds under Rhode Island General Law §35-18-3 §Kushner Approval; and

WHEREAS, the RIAC Board approved an inducement resolution at the April 2007 Board meeting declaring its official intent, pursuant to Treasury Regulation 1.150-2, to reimburse certain expenditures made for the Airport Bonds Project prior to the issuance of the 2008 New Money Bonds in amount not-to-exceed \$93,440,000; and

WHEREAS, RIAC issued a Request for Proposals for the purpose of selecting a Senior Managing Underwriter for the 2008 Bonds and received seven responses; and

WHEREAS, the Selection Committee, consisting of Joseph Cianciolo, RIAC Board Member and Treasurer; James Forte, RIAC Board Member and Vice Chairperson; and Brian Schattle, Chief Financial Officer reviewed the proposals and interviewed three of the potential candidates; and

WHEREAS, the Selection Committee unanimously recommends that Citigroup Global Markets Inc. be appointed as Senior Managing Underwriter.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. That the Board hereby authorizes the CFO, along with members of the financing working group, to develop and negotiate the financing documents necessary for the 2008 Bonds; and

2. RIAC hereby requests the Rhode Island Economic Development Corporation appoint Citigroup Global Markets Inc. as Senior Managing Underwriter for the 2008 Bonds, subject to Board approval.

8. Human Resources Committee Report:

Dr. Hittner reported that the Committee had met prior to the Board Meeting and gave an overview of the meeting including recruitment efforts.

9. Executive Session:

(a) Potential Litigation (Fire Watch Appeal, Three Non-Public Matters and EIS) and Pending Litigation (Coleman, Police Schedule and RIPDES) jV R.I.G.L. j± 42-46-5(a)(2).

(b) Investment of Public Funds Where Premature Disclosure Would be Detrimental to the Public Interest (Intermodal Contract Negotiations) - R.I.G.L. j± 42-46-5(a)(7).

At approximately 4:45 p.m., a motion was made by Mr. Hahn and

seconded by Mr. Forte to go into Executive Session. By the following vote the motion was passed unanimously.

YEAS: Kathleen Hittner, M.D.

James Forte

Joseph Cianciolo

Russell Hahn

NAYS: None

ABSTAIN: None

At approximately 6:03 p.m., a motion was made by Mr. Forte and seconded by Mr. Cianciolo to reconvene to the Open Session. The motion was passed unanimously.

It was noted for the record that during Executive Session Mr. Hahn recused himself from discussion on the Intermodal contract issue.

A motion was made by Mr. Forte and seconded by Mr. Cianciolo to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-4. By the following vote the motion was passed unanimously:

YEAS: Kathleen Hittner, M.D.

James Forte

Joseph Cianciolo
Russell Hahn

NAYS: None

ABSTAIN: None

Dr. Hittner left the meeting at 6:04 p.m.

10. Action Item:

(a) Consideration and Action Upon Access Agreement for Intermodal Project.

Action was deferred on this issue.

11. Future Meetings:

The next meeting will be held on Wednesday, March 19, 2008, at 4:00 p.m., in the Mary Brennan Board Room at 2000 Post Road, Warwick, Rhode Island.

12. Adjournment:

The meeting was adjourned at 6:05 p.m. due to lack of a quorum.

Respectfully submitted,

**Kathleen C. Hittner, M.D. Chair
Rhode Island Airport Corporation**

**ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
BOARD OF DIRECTORS MEETING
FEBRUARY 20, 2008**

NAME	AFFILIATION
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Doug Dansereau	RIAC
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Bruce Wilde	RIAC
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Patti Goldstein	RIAC
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Darrell Watson	RIAC
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Joe DaSilva	RIAC
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Ahmed Shihadeh RIAC

Michael Mini RIAC

Richard Licht Tillinghast Licht

Kelly Carpenter Senate Fiscal Office

Robert Goff The Parking Company

Michael Kennedy Gilbane

Don Pillsbury RIPA

Sue Pillsbury RIPA

Richard Langseth Greenwich Bay Watershed Association

The minutes of the Executive Session of the Board of Directors Meeting of February 20, 2008 have been sealed in accordance with R.I.G.L. § 42-46-4.